Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Text

CONFIDENTIAL

PAGE 01 PEKING 02433 180728Z

21
ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

NRC-05 TRSE-00 ERDA-05 COME-00 OMB-01 SAJ-01 SAM-01

ACDA-05 MC-02 /083 W
---------- 080285
R 180622Z DEC 75
FM USLO PEKING
TO SECSTATE WASHDC 4924
INFO AMCONSUL HONG KONG
AMEMBASY TOKYO
AMEMBASSY BONN

C O N F I D E N T I A L PEKING 2433

E.O. 11652: GDS
TAGS: ETRD CH US GW JA
SUBJECT: COMPLETE PLANT SALES TO CHINA

REF: PEKING 2430

1. IN ADDITION TO THIS WEEK'S SALE BY BRITAIN'S ROLLS ROYCE COMPANY OF A SPEY TURBO-FAN JET ENGINE MANUFACTURING FACILITY (REFTEL), USLO HAS LEARNED OF THREE OTHER COMPLETE PLANT PURCHASES BY THE PRC. THESE INCLUDE (1) A DETERGENT ALKALATION PLANT SOLD BY ITALY'S EUROTECNICA COMPANY WITH TECHNOLOGY SUPPLIED BY THE UNIVERSAL OIL PRODUCTS COMPANY (UOP) OF THE US; (2) A PLANT TO PRODUCE DMT SOLD BY KRUPP OF WEST GERMANY; AND, (3) A PARAXYLENE PLANT SOLD BY THE JAPANESE GASOLINE COMPANY WITH TECH-NOLOGY TO BE SUPPLIED BY UOP. TOTAL VALUE OF THESE THREE PLANTS IS ESTIMATED AT $115 MILLION.

2. ON DECEMBER 17, UOP SIGNED A CONTRACT TO PRO-VIDE TECHNOLOGY, DESIGN ENGINEERING, TRAINING AND START UP ASSISTANCE FOR A 50,000 TONS PER YEAR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02433 180728Z

CAPACITY DETERGENT ALKALATION PLANT VALUED AT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

APPROXIMATELY $35 MILLION. EQUIPMENT FOR THE PLANT WILL BE SUPPLIED BY ITALY'S EUROTECNICA COMPANY WHICH SIGNED ITS CONTRACT IN NOVEMBER. THE ITALIAN PORTION OF THE DEAL WILL BE FINANCED BY DEFERRED PAYMENTS BUT UOP WILL RECEIVE IN EXCESS OF $7 MILLION IN CASE FOR TECHNOLOGY AND SERVICES.

3. AS A RESULT OF NEGOTIATIONS HELD DURING THE PAST FEW WEEKS WITH UOP ASSISTANCE, THE JAPAN GASOLINE COMPANY (JGC), DECEMBER 18, SIGNED A CONTRACT FOR THE SALE OF A 60,000 TON PER YEAR CAPACITY PARAXYLENE PLANT VALUED AT $33 MILLION. JGC WILL SUPPLY EQUIPMENT AND ASSIST IN THE PLANT CONSTRUCTION; UOP WILL PROVIDE TECHNOLOGY UNDER A SUBCONTRACT WHICH WILL BE NEGOTIATED AT A LATER DATE WITH THE JAPANESE FIRM.

4. THE PARAXYLENE PLANT WILL PROVIDE FEED STOCK FOR A 60,000 TON PER YEAR CAPACITY DMT PLANT SOLD BY KRUPP OF WEST GERMANY TO CHINA IN NOVEMBER. ACCORDING TO THE WEST GERMAN EMBASSY COMMERCIAL COUNSELOR, THE COST OF THE PLANT IS ESTIMATED AT $45 MILLION AND PAYMENT WILL BE MADE IN CASH.
THAYER

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PEKING02433
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750439-1043
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751228/aaaaayce.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PEKING 2430
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUN 2003 by KelleyW0>; APPROVED <22 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COMPLETE PLANT SALES TO CHINA
TAGS: ETRD, CH, US, GE, JA, IT, ROLLS ROYCE, EUROTECNICA COMPANY, UNIVERSAL OIL PRODUCTS COMPANY, KRUPP, JAPANES GASOLINE COMPANY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006